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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

— — —

UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No. 19-20540

DAVID STRAND,

Hon. George Caram Steeh

Defendant.

/

SENTENCING HEARING

BEFORE THE HONORABLE GEORGE CARAM STEEH  
United States District Judge  
Theodore Levin United States Courthouse  
231 West Lafayette Boulevard  
Detroit, Michigan  
Thursday, January 20, 2022

APPEARANCES:

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1 Detroit, Michigan

2 Thursday, January 20, 2022

3 at about 2:07 a.m.

4 — — —

5 (Court, Counsel and Defendant present.)

6 THE CASE MANAGER: Please rise.

7 The United States District Court for the Eastern  
8 District of Michigan is now in session, the Honorable  
9 George Caram Steeh presiding.

10 You may be seated.

11 The Court calls Case No. 19-20540, United States of  
12 America v. David Strand. Counsel, please state your  
13 appearances for the record.

14 MR. WEIER: Your Honor, good afternoon. And may it  
15 please the Court, Craig Weier on behalf of the United States.

16 THE COURT: All right. Good afternoon.

17 MR. DAKMAK: Good afternoon, Your Honor.  
18 John Dakmak appearing on behalf of David Strand, who's seated  
19 to my left.

20 THE COURT: Okay. Thank you. So this is the date  
21 and time set for sentencing in this case. And in preparation  
22 for the hearing, I've had an opportunity to review the  
23 memoranda submitted by each side, as well as several letters  
24 in support of the defendant, and the presentence  
25 investigation report. And I gather that -- let's see. A lot

1 of paper. I gather -- it's Mr. Dakmak, right -- Dakmak?

2 MR. DAKMAK: Dakmak, Your Honor.

3 THE COURT: Yeah. Thank you.

4 MR. DAKMAK: It's okay.

5 THE COURT: I gather from your submission that you  
6 have had the opportunity to review and discuss the  
7 presentence investigation report with your client?

8 MR. DAKMAK: We have, Your Honor.

9 THE COURT: And are you asking the Court to adopt  
10 the factual findings and the application of the guidelines  
11 range as it appears in that report?

12 MR. DAKMAK: As far as the guidelines range goes,  
13 as far as loss calculations, as we stated in our memorandum,  
14 we are stipulating or agreeing to a \$1,001,500 loss  
15 calculation to be set as restitution. We have filed some  
16 objections to the presentence report on the factual basis.  
17 They are, in my opinion, some minor changes, but I do think  
18 that they are valid. We had some of them resolved with an  
19 amendment to the presentence investigation report.

20 I've had further conversation with Mr. Weier as to  
21 the outstanding matters. None of the objections that we've  
22 set forth change the guideline score, change the loss  
23 calculation. But if, perhaps, Mr. Weier wants to comment on  
24 this, I think we have resolved any outstanding issues and  
25 essentially prepared to move forward at this point.

1 THE COURT: I see. Thank you, Mr. Dakmak.

2 Mr. Weier, as it relates to this issue.

3 MR. WEIER: I have nothing further to add as to the  
4 objections, Your Honor.

5 THE COURT: Okay. So would you want to describe  
6 what that means for -- as an amendment?

7 MR. WEIER: Your Honor, I'm comfortable with the  
8 addendum to the presentence report and the presentence report  
9 as it currently reads. As Mr. Dakmak indicated, the changes,  
10 I don't want to call them cosmetic or nonmaterial changes or  
11 objections, but they don't affect the guideline sentence in  
12 any way, and as Mr. Dakmak suggested, they are relatively  
13 minor. So whether or not the Court adopts them to the  
14 government's point, it is not all -- it is not urgent, one  
15 way or another. I think we disagree and we have noted our  
16 disagreements to the objections to the probation officer.  
17 Who has indicated them in the addendum to the presentence  
18 report, but we think that the presentence report, as it  
19 stands, is accurate.

20 THE COURT: All right. Thank you, Mr. Weier.

21 I have a couple of questions and I know we've got  
22 other things to cover, but, Mr. Dakmak, you've  
23 got a -- you've agreed to a significant amount of restitution  
24 at a million dollars. What leads you to think that your  
25 client will be able to pay that back?

1 MR. DAKMAK: As we set forth in our memorandum, and  
2 I'm prepared to elaborate further at this time, Your Honor,  
3 in the course of my client being indicted several years ago,  
4 this process that the world is in has clearly slowed the  
5 judiciary down. We're now at the end of this matter, which I  
6 think the indictment came in 2019. There had been an  
7 investigation and I had been working with Mr. Weier months  
8 and months prior to the actual -- I should say, filing of the  
9 information, not indictment.

10 In that time frame since my client's termination  
11 from the complainant's business, Ascentium Capital, LLC, he  
12 started up a new business, building on his expertise in the  
13 truck financing world, starting a primarily eCommerce,  
14 web-based company that works and allows my client to be a  
15 facilitator between the trucking industry and financiers of  
16 the trucking industry, and streamlining that process. He's,  
17 quite frankly, even with this case pending, with everybody  
18 knowing that he has pled guilty several years ago to this  
19 serious offense, he has built the company up.

20 Moving forward, and Your Honor has a wide range of  
21 possibilities for sentence, and we acknowledge that. The  
22 reason why we're asking for a probationary sentence in this  
23 case, and we do understand that it is much lower than the  
24 guidelines, but that reason is his ability to repay  
25 restitution in this case. He is the brains behind, for lack

1 of a better term, this operation. If he is allowed to remain  
2 out of custody and serve a probationary sentence or even a  
3 modification of some kind, of blended semi-incarcerated  
4 sentence in a halfway house or home confinement, he'll be  
5 able to take his expected earnings in the next year, the year  
6 to come after that, and pay this restitution off.

7 I've had a lot of conversations with my client  
8 about that, and I've expressed to him, please don't have me  
9 go up there and promise something that you can't deliver on,  
10 because that's going to become an issue later on. But we are  
11 steadfast, at this point, in being able to say that if my  
12 client can continue operating his business, and I do state,  
13 Your Honor, that if he's in prison, that will not be the  
14 case, because the nature of the industry, that --

15 THE COURT: What does that mean? I'm sorry. What  
16 does that mean?

17 MR. DAKMAK: It's a fledgeling business, Your  
18 Honor. It is based on his relationship within the trucking  
19 industry. He has two employees.

20 THE DEFENDANT: Two employees.

21 MR. DAKMAK: Two employees, himself, but if he's in  
22 custody, the business will fail because it is such -- in such  
23 an early stage. He has to be there to operate the company,  
24 to keep those relationships open, to keep the  
25 business-to-business venture going. So I would suggest, Your

1 Honor, that it is reasonable and just to have a probationary  
2 sentence -- noncustodial, I should say. If that's the case,  
3 within the first of February, February 1, he should be able  
4 to produce \$250,000 towards restitution. Thereafter, we're  
5 suggesting a quarterly payment of \$100,000, which would take  
6 the better part of two years, so perhaps a three-year  
7 probationary sentence, to give some cushion, in case there is  
8 a business dynamic that is unforeseen and something happens  
9 that would slow or maybe even accelerate restitution  
10 payments, but that is how he's going to make that happen.

11 Quite frankly, if the business fails, I  
12 don't -- and I have a lot of faith in this man and his  
13 entrepreneurial ways, but if this business fails, I don't see  
14 how, realistically, a \$1 million payment gets made. And to  
15 note that on top of this \$1,001,500 restitution award that  
16 we're anticipating, Ascentium Capital, in 2016, received a  
17 consent judgment against my client for 2,745,000-and-some-odd  
18 dollars. That's been affected. It is part of the -- it is  
19 the record of the Oakland Circuit Court. It is there. So  
20 there is that obligation also.

21 That is how I propose that he will make meaningful  
22 restitution in this case and whatever else can be done with  
23 Ascentium's consent judgment, which, since 2016, there has  
24 been no action by Ascentium to perfect or -- I should say,  
25 execute on it, any garnishment or anything like that, but



1 it's there. He's ready to address that. It is essentially  
2 why we are here today, to bring his criminal wrongdoing to an  
3 end and move on to the next stage, and we do understand that  
4 meaningful restitution is required.

5 I just wanted to -- I want the Court to understand  
6 that he doesn't come from wealth, he doesn't come from a  
7 large trough of money. There has never been an allegation in  
8 this case that that \$1 million that he defrauded Ascentium  
9 of, and he's not hiding that, in any stretch of the  
10 imagination, that did not go into his hands. That was  
11 basically for -- excuse the euphemism -- an opportunity to  
12 rob Peter to pay Paul, to keep a fledgeling business  
13 operational. There has never been an allegation that he  
14 lived a lavish lifestyle because of his defrauding Ascentium.  
15 It was always an effort to keep the business going.

16 And, yes, of course, if the business is going, he  
17 will profit from it, it was his and his partners' lifeblood,  
18 lifeline. Everyone wanted it to make a billion dollars. Why  
19 not? This is what industry is for. This is what getting  
20 into business is for. He perpetrated that wrong, a criminal  
21 wrong. It's a very serious felony, there's no way around it,  
22 but it was to keep that business going. I just never want  
23 anyone in this courtroom to conclude that there was the boat,  
24 there was the house, there were the lavish trips, that  
25 lifestyle that we have seen in countless other fraud cases in

1 courtrooms like this. That wasn't what happened here.

2 His ability to repay is only because of his  
3 shoulder-to-the-grindstone work ethic in starting a new  
4 business and moving forward. A business that, as you can see  
5 behind me, Your Honor, his three children depends on, the  
6 obligations that he has beyond the courtroom, these are the  
7 reasons why we're making this suggestion to Your Honor, this  
8 recommendation, at this point.

9 THE COURT: All right. Thank you, Mr. Dakmak.

10 Mr. Weier, on behalf of the government, what would  
11 you like to say?

12 MR. WEIER: Thank you, Your Honor. I've only got a  
13 couple of things. Should I come to the podium or stay here?

14 THE COURT: Either way is fine.

15 MR. WEIER: Okay. This is fine. I've only got a  
16 couple things to add to my sentencing memorandum, and  
17 essentially they are in response to the memorandum and  
18 Mr. Strand's letter that was filed with the Court, so I will  
19 try to be brief.

20 It suggested in the sentencing memorandum that the  
21 government agrees that Mr. Strand did not do this crime for  
22 financial gain. I think he's qualified that, somewhat, in  
23 his allocution. I don't agree that he didn't do it for  
24 financial gain. I think he did it, and I think we can prove  
25 that he did it for financial gain, and maybe it's a matter of

1 semantics, but he owed, what he called in his letter, the  
2 early investors some \$2 million, and that was when he started  
3 the company, initially. During the operation of the company,  
4 he paid these investors interest, as he promised, and he  
5 borrowed this money from many of these folks, and he  
6 personally guaranteed many of these loans. So he was on the  
7 hook, personally, for this \$2 million. So when he said, as  
8 he does in the letter, that I did this fraud in order it make  
9 these investors whole, which is what he says several times in  
10 his letter to the Court, he argues that that isn't for  
11 financial gain. But -- and he also indicates in the  
12 letters -- in the letter to the Court, that he was not  
13 legally obligated personally to pay these investors back.  
14 That's not true.

15 He had a personal obligation, he had a contractual  
16 obligation to pay these investors back, and by defrauding  
17 Ascentium as he did, it lowered that, to the extent that he  
18 could pay these investors back, it would be his own financial  
19 gain, because his liabilities would have been lowered.

20 So I don't agree that he didn't do it for financial  
21 gain. And if what they mean by not doing it for financial  
22 gain, that he didn't maintain a lavish lifestyle, I don't  
23 quarrel with that. I concede that, Your Honor, he didn't  
24 maintain a lavish lifestyle, but he did gain economically as  
25 the result of a fraud, or at least that was the motive.

1 I also wanted to address Mr. Strand's contention to  
2 the Court that he has atoned or has made amends for this  
3 fraud. As the Court knows, this was an offense that occurred  
4 and was between 2013 and 2015. It was concluded essentially  
5 in August of 2015, when Ascentium discovered the fraud.

6 Since that time, I am unaware, and I confirmed  
7 today through Mr. Dakmak, that he has made any effort to make  
8 any restitution to Ascentium, which is the primary victim in  
9 this case. And with respect to the other victims. Being  
10 perhaps not of the offense conduct. But the investors that  
11 he was doing the crimes in order to repay, I am of the  
12 understanding that those liabilities remain unpaid as well,  
13 or at least many of them do. I think there was a letter from  
14 one of his college friends who loaned Mr. Strand \$400,000,  
15 and that letter said that he had been fully repaid, but that  
16 suggests that he selectively repaying people that he wants  
17 to, because a lot of these folks are still unpaid. So I  
18 wanted to bring the Court's attention to that.

19 And lastly, I wanted to say a word about some of  
20 the assertions that Mr. Strand makes in his letter with  
21 respect to the victim corporation, Ascentium, and the  
22 individuals involved -- and an individual involved.  
23 Mr. Strand indicated to the Court, and we really are getting  
24 into the weeds here with respect to some of the background  
25 that Mr. Strand brought up, but he brought it up, and he said

1 to the Court that these investors who -- the company that  
2 Ascentium bought, WTF, was on the hook for, as well as  
3 Mr. Strand personally, that those investors were hidden from  
4 Ascentium before Ascentium made the purchase of WTF. So  
5 Ascentium was unaware that WTF owed all of these investors  
6 all of this money, as well as Mr. Strand owing all of them  
7 all of this money.

8 In his letter to Your Honor, he indicated that he  
9 actually disclosed to an individual named Alvin Willkoff, who  
10 was an Ascentium executive, prior to the purchase, that some  
11 of these liabilities -- that all of these liabilities  
12 existed. He called them off-the-balance-sheet liabilities.  
13 So we know what that means, off the balance sheet means he's  
14 not disclosing them to the potential purchaser, Ascentium.  
15 He said, well, I made one of the executives aware of that.  
16 And the executive said, well, you shouldn't tell the rest of  
17 Ascentium, because that will nix the deal. And they didn't.  
18 And he says he was following this executive's advice,  
19 Ascentium purchased WTF, and this is what happened as a  
20 result.

21 In any case, I wanted the Court to know that way  
22 back in November of 2016, Mr. Willkoff was interviewed by the  
23 FBI, and at that time, he denied knowledge of these  
24 off-the-book investors, and so -- or off-the-balance-sheet  
25 liabilities, I guess you would say.

1           So I'm just saying that, and I'm not asking the  
2 Court to judge who is credible here, I'm just saying, please  
3 don't accept this assertion by Mr. Strand at face value,  
4 because the person he says he told, says that he didn't tell.  
5 So I wanted the Court to know that.

6           And the last thing is that -- and I don't know that  
7 the Court is even interested in this, but Mr. Strand accused  
8 Ascentium of bad faith, in terms of his termination, and said  
9 in his letter that they terminated him -- they were going to  
10 terminate him before they even discovered the fraud, because  
11 they wanted to pay him -- not pay him certain months that he  
12 would have been owed, had Ascentium sold WTF.

13           All I would like the Court to know is that  
14 Ascentium denies bad faith obviously. And because this is  
15 this really irrelevant to the fraud here and because he  
16 admitted that he was defrauding Ascentium, his termination is  
17 proper in any case. So I wanted to comment on that for the  
18 Court. Beyond that, I don't have anything to add to the  
19 sentencing memorandum, Your Honor.

20           THE COURT: All right. Could you indicate your  
21 reaction to the request here, that I consider a probationary  
22 sentence or a day and a period of continuing effort to raise  
23 the money to repay the victims, as much as possible.

24           MR. WEIER: Yes, and I appreciate that and I  
25 appreciate the opportunity to address that issue. I

1 indicated in my sentencing memorandum, had this been an  
2 isolated transaction, maybe the 3553(a) factor could be  
3 satisfied by a noncustodial sentence. But this wasn't  
4 isolated; this was a long term, well thought out fraudulent  
5 scheme that netted at least a million dollars from a company.

6 And when I mentioned his inability to -- or his  
7 making no efforts to make Ascentium whole, that is, he made  
8 no payments on restitution up to this point, I mention that  
9 because -- I guess my position is, it's a little late to come  
10 to the Court and say, let me have another three years to make  
11 restitution, when this offense occurred and ended in 2015.  
12 It's -- I also am not convinced that they have been able to  
13 articulate why this business that he just started, which he  
14 claims in this letter is processing 5,000 leases a month,  
15 can't continue to operate if he's in custody, if he has two  
16 other employees who are working with him in the business and  
17 can consult him at will, even if he is in custody. And there  
18 is no -- the other thing is there is certainly no guaranty  
19 this business will be successful in the long run, in any  
20 case, and that's all I really have to say about the  
21 suggestion about a noncustodial sentence. A noncustodial  
22 sentence would not satisfy the 3553(a) factors, in my mind,  
23 respectfully.

24 THE COURT: Yeah. Anything further, Mr. Dakmak?

25 MR. DAKMAK: Thank you. Just to address some of

1 Mr. Weier's concerns.

2 His first point about, did Mr. Strand actually  
3 financially gain? Well, as I've laid out in our sentencing  
4 memorandum, Your Honor, yes, he's never hid from the fact  
5 that he had personal guarantees for investors that were not  
6 part of the Ascentium transaction. And, yes, the ability to  
7 repay those investors if this business, Wholesale Truck  
8 Finance, Mountaineer Leasing, through Ascentium's umbrella  
9 continues, like a lot of frauds that we have seen for  
10 decades, people go into them thinking, if I can just get over  
11 that hump, everyone will make money and it works. It is  
12 still illegal. Mr. Strand accepts that it is illegal. He  
13 accepts the fact that what he did was illegal.

14 And I appreciate Mr. Weier conceding that there is  
15 no issue that he lived a lavish lifestyle from these proceeds  
16 or anything like that. This was money that was circulated  
17 through the businesses, to other investors, in a hope of  
18 keeping it afloat as long as possible. It failed, like many  
19 businesses do. And when fraud is involved, you run into the  
20 reality of a criminal prosecution, which is why we are here.

21 So I take some exception with Mr. Weier's somewhat  
22 cold assertion that it was financial gain for this man and  
23 only this man, that was the impetus for this -- for this  
24 fraud.

25 There's a larger picture here, that I think we have



1 elucidated and outlined for Your Honor in our sentencing  
2 memorandum. This was about keeping the business afloat. It  
3 was wrong, it was certainly wrong. It was criminal, but that  
4 was the genesis for it.

5 Now, as to his second point about making amends for  
6 the fraud. Well, as I told Mr. Weier, and I think when he  
7 said, I've confirmed this with Mr. Dakmak, he left out one  
8 special part that I will bring to the Court's attention. I  
9 don't know about anyone else, but when I have a client that's  
10 accused and indicted in a case pending for fraud and there's  
11 money to be repaid, as their counselor, I don't suggest  
12 making the payment during the pendency of this case. That  
13 can be construed as an admission; it can be construed a whole  
14 different bunch of ways. There is a date and time, once the  
15 case starts, to make that effort, and now is the time to make  
16 that effort. So as to why hasn't he repaid Ascentium with  
17 the pendency of this case, with his new business operating,  
18 realistically, how is he supposed to?

19 Up until a week or so ago, we were at odds as to  
20 the loss figure. The defense agrees, instead of having the  
21 protracted loss calculation hearing, bringing in the experts,  
22 bringing in the accountants, bringing in the executives and  
23 everybody else to hash out is it 1 million, is it 800,000, is  
24 it \$479,000? We are accepting \$1,001,500 as the loss  
25 calculation and are prepared to move forward on that, so that

1 is why there hasn't been the repayment to Ascentium. Now is  
2 the time moving forward for that.

3 Now, as to the repayment of the individual  
4 investors, quite frankly, there are not a part of this case.  
5 They were never victims in this case. The government fully  
6 investigated this case and could have brought that  
7 allegation, could have made it part of the Rule 11 agreement.  
8 Notwithstanding that, this man, moving forward, and as we see  
9 in the pleadings that we have submitted to Your Honor, has  
10 made the efforts in the past and continues to make the  
11 efforts to make these investors whole. He will continue and  
12 continue and continue to do that. He is one man doing that.  
13 He is not Ascentium Capital, LLC, \$600 million operation on  
14 the west coast, he's one man doing that.

15 To highlight another point, Your Honor, as it is  
16 included in the government's sentencing memorandum, the  
17 government, the FBI, the Department of Justice scoured this  
18 case and came up with their high watermark restitution  
19 figure. We've agreed to that. As you will note in their  
20 sentencing memorandum, though Ascentium claims it  
21 is \$23 million that they are owed by this man, there is no  
22 justification for that statement, Your Honor. This is why I  
23 take some exception with Ascentium's statement throughout  
24 this case, at this proceeding and moving forward.

25 When it relates to Evan Willkoff denying that he

1 took part in a fraud on his company, we will let that stand  
2 as it is. I wonder why he denied the FBI is asking him, hey,  
3 are you part of this fraud? No. Okay. Enough said. So --  
4 and, again, I'm not here to address credibility of entities  
5 and individuals, but for this proceeding, the amount that is  
6 at stake, this man's ability -- this man's ability, not a  
7 large company, not a private equity fund, to repay Ascentium  
8 this \$1 million. This is the position we are in at this  
9 point.

10 His ability to earn is predicated on his ability to  
11 run his small business. And I say, small business, because I  
12 think, from accounting perspectives, anything under \$50  
13 million a year is considered a small business in 2021. It is  
14 a small business, it is moving in the right direction. It  
15 has been going on for two or three years, at this point.  
16 It's for the -- maybe a little longer, but I know, in the  
17 past year, this company is now turning profit, is now having  
18 steady cash flow. It has taken a while to do that, as any  
19 fledgeling business does.

20 So that's why, at this point, he's in the position  
21 to do this. Quite frankly, if he had been sentenced in 2019,  
22 prior to this pandemic, I don't know if he could make that  
23 statement to Your Honor, that he could make these payments,  
24 because his company was in a much different position.

25 Regarding his statements about termination in his

1 letter regarding Ascentium's statements to the FBI, to the  
2 U.S. Attorney, there are some hard feelings and there's  
3 emotion, and sometimes that clouds judgment. And there may  
4 be some people that aren't in this courtroom, that are glad  
5 they are not in this courtroom, that are going to say certain  
6 things to deflect attention away from themselves. This man,  
7 from the get go, from the beginning of this case, accepted  
8 responsibility. That's why it was filed as an information,  
9 with an immediate Rule 11. It took some time to get there,  
10 but he's not hiding from it. He stands ready, Your Honor, to  
11 be sentenced in this case.

12 I believe that 3553(a) requirements of a just  
13 sentence do lead you down the path of a noncustodial  
14 sentence. Because of everything we set forth, what the  
15 government has set forth, what we have set forth in our  
16 memorandum and this case, is justice served by this man going  
17 to prison, everything being equal? No. Quite frankly, no.  
18 Not until 2022, not in 2021, not in 2020, this man's  
19 opportunity to make these amends is sitting there, waiting  
20 for him to grab it, and he's prepared to reach. That's why,  
21 Your Honor, I'm asking for the noncustodial sentence or at  
22 least some deviation of a blended sentence of sorts, that  
23 allows him to keep working and be under the monitoring of the  
24 federal government.

25 If Your Honor has any questions, I'm happy to

1 answer them. I think my client is ready to address the  
2 Court, whenever you are ready, Your Honor.

3 THE COURT: All right. Thank you, Mr. Dakmak.

4 Mr. Strand, what would you like the Court to hear?

5 THE DEFENDANT: Your Honor, thank you for letting  
6 me speak. In the interest of the Court's time, I will be  
7 brief, and I want to stick to my notes, because I'm very  
8 nervous.

9 I sincerely apologize for violating the laws in  
10 this case. I am embarrassed to admit I created false  
11 invoices and other documents to fraudulently obtain over a  
12 million dollars from Ascentium Capital. I devised illegal  
13 schemes in misguided attempts to repay investors who were not  
14 legally owed any repayment from Ascentium. I made personal  
15 guarantees to many of these investors and many of them are  
16 from friends and my family. What I did was deceptive and it  
17 was wrong. I'm sick with regret of my foolish and selfish  
18 conduct. I take full responsibility for my actions, and I  
19 humbly submit to the judgment of the Court.

20 I also continue to work toward repaying those  
21 investors, even those that I have not personally guaranteed,  
22 in the years to come.

23 To my former partners at Ascentium, I do apologize,  
24 sincerely. I will do whatever it takes to make amends and  
25 pay my full restitution. To everyone I disappointed when I

1 broke the law, I apologize.

2 I will spend the rest of my life working to become  
3 worthy of their forgiveness. It is not an easy thing to do.

4 My family and business associates trusted me to use  
5 good judgment and to make wise choices, and getting sentenced  
6 today, proves that I failed them. The consequences of my  
7 legal actions will follow me and my family for the rest of  
8 our lives. I wish I could undo the past, but I can't, and I  
9 am deeply sorry. I know this process and whatever sentence I  
10 receive will have a lasting affect on my children. Although  
11 I certainly believe that to be true, what really haunts me is  
12 why I didn't think of that before I did the wrong things.  
13 You know, for somebody to sit up here, take care of my kids,  
14 it's one thing, but what I will never forgive myself about  
15 is, why didn't I think of that? Why wasn't I looking at that  
16 when I did it? It is easy to look back now and say I didn't.  
17 Sorry.

18 I will never forget the lesson I have learned  
19 during the six-and-a-half years of this legal process. In  
20 particular, I learned that when it comes to business ethics,  
21 that gray areas do not exist, and there is only black and  
22 white. There is legal and illegal, and the choice I made was  
23 illegal. That's my choice. I am grateful that this country  
24 does offer second chances to those that earn it. I'm  
25 determined to prove I'm worthy of that second chance. I have

1 openly discussed my mistakes with friends and business  
2 associates. In the years ahead, I am committed to using my  
3 story to help other people avoid my same mistakes.

4 As I close, Your Honor, I wanted to share a quote,  
5 it sounds a little hokey, and I apologize, I read soon after  
6 I pled guilty a couple years ago. Malcolm X said, "To have  
7 once been a criminal is no disgrace. To remain a criminal is  
8 a disgrace."

9 I have accepted what I have done and although I  
10 will make mistakes in the future, I will never be a disgrace  
11 to my children, my family or my friends or my business  
12 associates again. And I can assure you, Judge Steeh, you  
13 will never see me in this courtroom or another courtroom.

14 In closing, Your Honor, I am very sorry that I  
15 betrayed the trust of my former partners at Ascentium  
16 Capital and they deserve to be paid back the money I took. I  
17 accept full responsible of my criminal acts of wire fraud,  
18 and I will willingly accept any sentence that you see fit.

19 Thank you.

20 THE COURT: All right. Thank you. Let's take a  
21 short break and ask counsel for the parties to step in this  
22 back room.

23 (Court recessed at 2:43 p.m.)

24 — — —

25 (At 3:00 p.m. Court reconvenes; Court, counsel and

1 all parties present.)

2 THE COURT: Thanks, folks. You can take a seat.

3 The Court has had an opportunity to talk with  
4 counsel in chambers, and the Court is -- it was suggested in  
5 that room, a hearing to give the defendant an opportunity to  
6 demonstrate his capacity to ultimately demonstrate that this  
7 was something more than pie in the sky, I guess, that we've  
8 heard from Mr. Strand, and the chance to bolster the new  
9 company that is hope for an avenue or means to demonstrate  
10 his interest in making a -- making -- to developing a plan, I  
11 guess, of action that would allow the Court to consider  
12 something along the lines that the attorneys have both  
13 addressed in statements.

14 So toward that end, it was agreed that the hearing  
15 will be continued on a six-month schedule. Do you have a  
16 date for me, Brianna?

17 THE CASE MANAGER: July 28th, at 10:00 a.m.

18 THE COURT: We will reassemble then to conclude the  
19 sentencing hearing. Anything else that we want to say for  
20 the record?

21 MR. WEIER: Nothing on behalf of the government.  
22 Thank you, Your Honor.

23 MR. DAKMAK: No. Thank you, Your Honor.

24 THE COURT: All right. Thank you, all.

25 THE DEFENDANT: Thank you, Your Honor.



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THE COURT: Okay.

(Proceedings concluded at 3:03 p.m.)

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## 1 CERTIFICATION

2  
3 I, Robert L. Smith, Official Court Reporter of the  
4 United States District Court, Eastern District of Michigan,  
5 appointed pursuant to the provisions of Title 28, United  
6 States Code, Section 753, do hereby certify that the  
7 foregoing pages comprise a full, true and correct transcript  
8 taken in the matter of UNITED STATES OF AMERICA vs. DAVID  
9 STRAND, Case No. 19-20540, on Thursday, January 20, 2022.

10  
11  
12 s/Robert L. Smith

13 Robert L. Smith, RPR, CSR 5098  
14 Federal Official Court Reporter  
United States District Court  
Eastern District of Michigan

15 Date: 04/07/2022  
16 Detroit, Michigan  
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